



# NEWS RELEASE

## TOWN OF VIENNA

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FOR IMMEDIATE RELEASE

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### TOWN RECEIVES HISTORICALLY LOW INTEREST RATE ON BOND SALE

**Vienna, VA-** The Town of Vienna received a 2.49% interest rate on the sale of its Series 2010 Public Improvement Bonds, which is more than 1.5% below the lowest rate the Town has received on a public sale in the last 15 years.

This historically low cost of capital can be attributed in part to the Town's recently received AAA Standard & Poor's and Aaa Moody's bond ratings. The AAA and Aaa bond ratings enable the Town to sell bonds at more favorable interest rates compared with those of municipalities not so highly rated, resulting in substantial savings for Vienna taxpayers over the life of the bonds. Other localities that share exclusively AAA bond ratings in the region include Alexandria City and Arlington, Fairfax, and Loudon Counties.

The Town's receipt of a 2.49% interest rate can also be attributed to the fact that the bond sale included Build America Bonds. These bonds, part of the American Recovery and Reinvestment Act of 2009, are a new type of taxable bond that receive a subsidy from the Federal government, thereby lowering the effective interest rate paid by the Town.

Bond financing spreads the cost of major capital projects over a period of many years, rather than charging the full cost to today's taxpayers. By having such a low interest rate, the Town will see substantial savings over the life of the bond, ultimately saving taxpayer money.

The recently sold Series 2010 Public Improvement Bonds will finance several projects contained within the Town's Capital Improvements Plan (CIP) including street improvements, storm drainage improvements, facilities improvements, and water and sewer system improvements.

For more information, contact the Finance Department at 703-255-5752.

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